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April 25, 1996

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By overnight mail

Mr. William F. Canton
Office of the Secretary
Federal Communications Commission
1919 M Street
Washington, D.C. 20554

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RE: NOTICE OF EX PARTE PRESENTATION IN IN THE MATTER OF FEDERAL-STATE
JOINT BOARD ON UNIVERSAL SERVICE, COMMON CARRIER DOCKET No. 96-45

DOCKET FILE COPY ORIGINAL

Dear Secretary Canton,

On April 22, 1996, I made an ex parte presentation to Ms. Suzanne Toller, in Commissioner Rachelle Chong's office, on behalf of my clients, the National Council of La Raza, Southern Christian Leadership Conference, Korean Youth and Community Center, Filipino Civil Rights Advocates, Filipinos for Affirmative Action, Association of Mexican-American Educators, California Association for Asian-Pacific Bilingual Education, Chicano Federation of San Diego County, El Proyecto del Barrio, Escuela de la Raza Unida, and Lawyers' Committee for Civil Rights of the San Francisco Bay Area. The presentation concerned their comments and positions in Common Carrier Docket No. 96-45 on the Federal-State Joint Board on Universal Service. I file this notice pursuant to 47 C.F.R. § 1.1206(a).

I made the following points:

1. The organizations listed above, represented by Public Advocates, have been working on issues of universal service and local competition before California's Public Utilities Commission since December, 1994. They have been representing the interests and need of California's low-income, minority, and limited-English-speaking communities for full and equal access to basic telephone and advanced telecommunications services.
2. Many of the carriers' comments focus only on section 254(c) and the issues of cost and compensation, and ignore altogether the equally important principles of section 254(b) on the preservation and advancement of universal service.

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3. In California, the Public Utilities Commission has found that all competing carriers must work to achieve 95 percent subscribership (the statewide average) specifically in California's low-income, minority, and limited-English-speaking communities. The FCC has long recognized the significant disparities in subscribership by ethnicity and income. In giving effect to the principles of section 254(b), the FCC should have a universal service goal that, in each state, carriers must work to achieve the statewide rate of subscribership specifically in low-income, minority, and limited-English-speaking communities.

4. In California, more than 7 million Californians over the age of 18 depend upon or prefer to speak languages other than English. The Public Utilities Commission has found that many limited-English-speaking Californians are not aware of the availability and terms of universal lifeline service, and thus has ordered that carriers must inform customers of the availability, terms, and statewide rates for universal lifeline service and basic service in languages such as Spanish or Chinese in which they initially order service, and to provide bills, notices, and service representatives in those languages. In giving effect to the principles of section 254(b), the FCC should consider requirements of multi-lingual service in the common languages spoken in the various areas served.

5. In California's proceedings, parties had a right to serve discovery requests. We requested from the key carriers their plans to serve California's low-income, minority, and limited-English-speaking communities during the first five years of local competition. Basically they had none. In 1994, at the same time it articulated the universal service goal mentioned above, the PUC found that Pacific Bell and GTE California must significantly improve their marketing and outreach in these communities and ordered them to develop and file one-year, two-year, and five-year business plans for serving these communities. We have urged the Commission to order all competing carriers to develop strategic marketing plans, to transform inertia into internal momentum in the direction of universal service. In addition, given the responses to discovery, the PUC explicitly prohibited telecommunications redlining by any competing carrier. We urge the FCC to require carriers in all states to develop internal plans for marketing to low-income, minority, and limited-English-speaking communities historically without universal service.

6. In California, the Public Utilities Commission has ordered all carriers must provide lifeline telephone service at a statewide rate of \$5.62 per month for flat-rate residential service and a statewide lifeline installation charge of only \$10.00. Installation charges are a significant barrier to service, and the FCC should include a discount rate for installation charges for low-income subscribers. We also agree that basic access should not be terminated because of the customers' toll bill, and agree with the proposal to advance subscribership in low-income communities with elective toll-restriction or toll-management methods.

7. We have found that access to the information superhighway is *not* available in schools and libraries in low-income, minority, and limited-English-speaking communities. At the same time, people in the community often seek advice and leadership from their

community-based organizations rather than schools and libraries. We have urged California's Public Utilities Commission to ensure full and equal access to advanced services for community-based organizations in California, and we urge the FCC to develop principles under section 254(b) to do the same nationally. Section 254(b) provides that access to advanced telecommunications services should be had in all regions of the nation, and focusing on the centrally located community-based organizations would be an efficient and effective beginning. The fact that schools, libraries, and health-care providers are specifically mentioned does not preclude giving equal effect to the provisions of section 254(b) promoting access in all regions.

8. In developing the programs to provide advanced telecommunications services to schools, libraries, health-care providers, community-based organizations and others, technical assistance will be critical to their success. The FCC should consider allowing either a discount rate for technical assistance, supported by the federal program, or allow carriers' to list technical assistance as an in-kind contribution to the support program.

In addition to making the oral presentation above, I distributed the attached written materials: (1) a summary of our filing, (2) a graph showing the disparities in subscribership by ethnicity at every income level, (3) a graph showing the importance of multi-lingual access to information about telecommunications services in California, and a survey of community-based organizations across California showing the great need for access to the information superhighway in these communities and the serious lack of such access.

Yours very truly,



Mark Savage

attachment

cc: Ms. Suzanne Toller



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UNIVERSAL SERVICE IN LOW-INCOME, MINORITY, AND LIMITED-ENGLISH-SPEAKING COMMUNITIES

Public Advocates has been the principal if not sole voice representing the interests of California's low-income, minority, and limited-English-speaking communities on telecommunications issues before California's Public Utilities Commission. In California, these communities comprise more than one half of the state's population. We have sought to ensure that basic and advanced telecommunications services are fully and equally available and affordable to these communities. To this end, we now represent the following organizations in the FCC's proceedings on universal service:

- NATIONAL COUNCIL OF LA RAZA
- SOUTHERN CHRISTIAN LEADERSHIP CONFERENCE
- KOREAN YOUTH AND COMMUNITY CENTER
- FILIPINO CIVIL RIGHTS ADVOCATES
- FILIPINOS FOR AFFIRMATIVE ACTION
- ASSOCIATION OF MEXICAN-AMERICAN EDUCATORS
- CALIFORNIA ASSOCIATION FOR ASIAN-PACIFIC BILINGUAL EDUCATION
- CHICANO FEDERATION OF SAN DIEGO COUNTY
- EL PROYECTO DEL BARRIO
- ESCUELA DE LA RAZA UNIDA
- LAWYERS' COMMITTEE FOR CIVIL RIGHTS OF THE SAN FRANCISCO BAY AREA

SUMMARY OF FILING

In many respects, California's experience with universal service and local competition may well presage the nation's experience under the Telecommunications Act of 1996. In 1994, California's legislature enacted three statutes on local competition (AB 3606), universal service (AB 3643), and long-distance competition (AB 3720). The CPUC has been holding complex hearings and has developing an extensive evidentiary and rulemaking record to determine how best to implement local competition policies while protecting and advancing universal service.

The National Council of La Raza, Southern Christian Leadership Conference, Korean Youth and Community Center, Filipinos for Affirmative Action, and Filipino Civil Rights Advocates retained Public Advocates to represent them against over 60 LECs, IECs, and

alternative providers. When we required the companies to produce for us their plans to serve California's low-income, minority, and limited-English-speaking communities, in almost every instance they had none. None would commit to a five-year plan to provide enhanced telecommunications services to poor, non-white, and limited-English-speaking households, or to community-based organizations serving these communities. To date, the California Public Utilities Commission has adopted these positions:

- All competing carriers must work to achieve 95 percent subscribership (the statewide average) in California's low-income, minority, and limited-English-speaking communities.
- All carriers must provide lifeline telephone service at a *statewide* rate of \$5.62 per month, and a statewide lifeline installation charge of only \$10.00.
- Because more than 7 million Californians over the age of 18 depend upon or prefer to speak languages other than English, all carriers must inform customers of the availability, terms, and statewide rates for universal lifeline service and basic service in the language in which they initially order service, and to provide bills, notices, and service representatives in those languages.
- Based on carriers responses to our discovery, the CPUC specifically prohibited telecommunications redlining.

In our comments, we share our experience in California with the Federal Communications Commission, in case that experience should prove helpful. Sections 253(b) and 254(f) of the Telecommunications Act of 1996 preserve the states' jurisdiction and obligation to protect and advance universal service within each respective state. What policies will best ensure universal service in a particular state will depend in great measure upon that state's unique demographics and demographic trends, the state's particular telecommunication market conduct and history, even the state's particular geography. We request that nothing in the rules ultimately adopted should undermine the CPUC's carefully tailored efforts to achieve and advance universal service in California.

Advanced Services. With respect to ensuring access to advanced telecommunications in all regions of the nation, we repeat our recommendation to California's Public Utilities Commission--ensure at a minimum that the community-based organizations serving low-income, minority, and limited-English-speaking communities have full and equal access to the information superhighway. California's legislature stated that, because of their extraordinary economic and social impact, community-based organizations as well as education and health care institutions must have access to advanced telecommunications services as soon as possible.

Last fall, we conducted a survey of community-based organizations across California concerning their access to the information superhighway. The results:

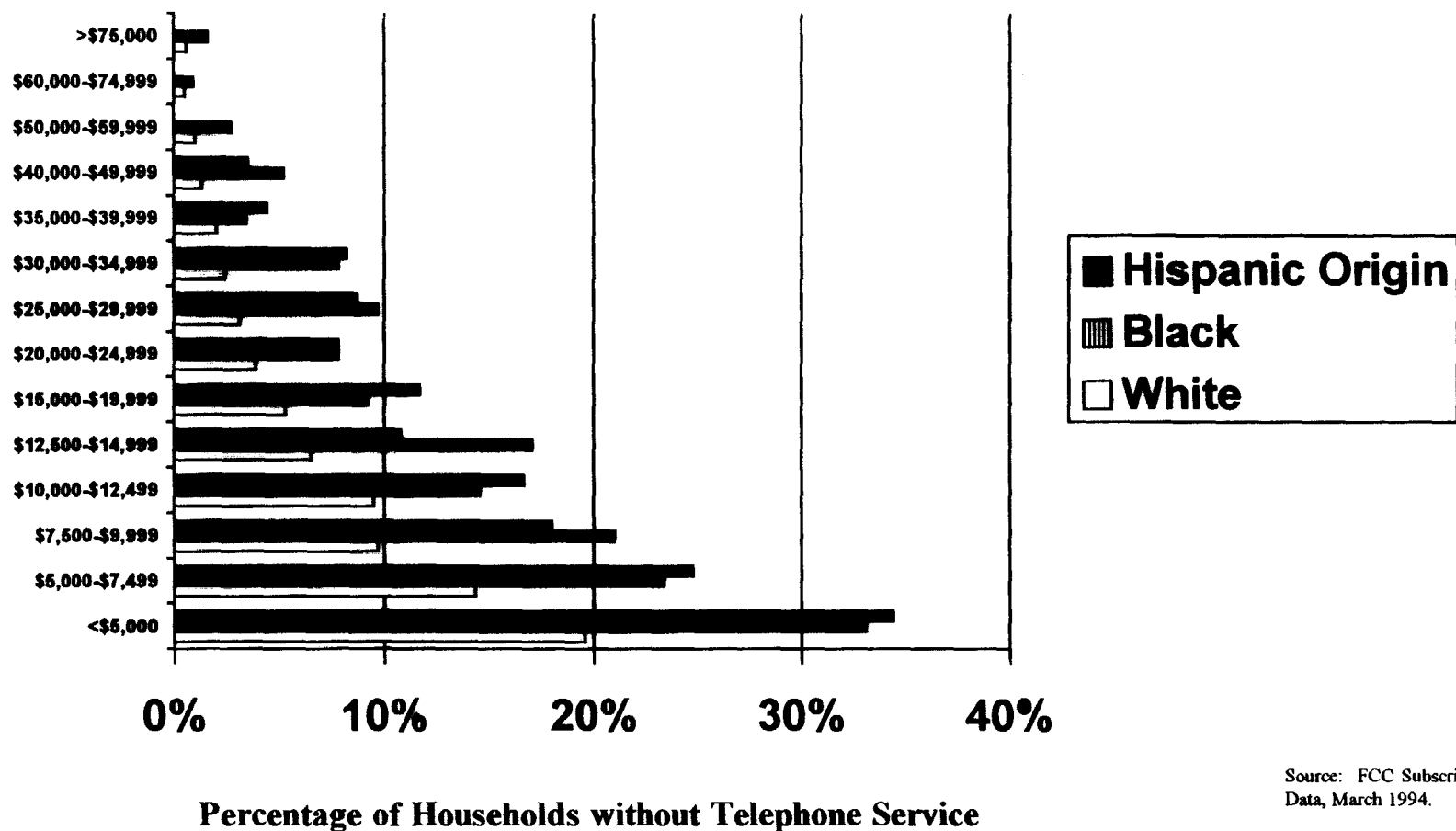
- ▶ While 91.3 percent of the directors of these community-based organizations concluded that full and equal access was "essential" or "important", two out of three reported no access to the Internet and 19 out of 20 reported no access to any advanced technologies such as ISDN.
- ▶ Over 95 percent reported that their communities need access to advanced technologies for educational programs, health services, employment programs, governmental services and reports, social services and information, etc.
- ▶ Organizations responded from throughout the state. They estimated that they served an average of 350,000 people each, and that 70 percent of their respective communities need access to information-superhighway services.

These results quantify the obvious: The need for advanced services in the communities is as great as the lack of access.

Schools, Libraries, and Health-Care Providers. With respect to access for schools, libraries, and health-care providers, we suggest that the key issue is reversing the already considerable disparities that currently exist between such institutions in poor and affluent communities. Unless the existing disparities are acknowledged and addressed, the policies will build upon, perpetuate, and merely deepen the disparities that are presently exist.

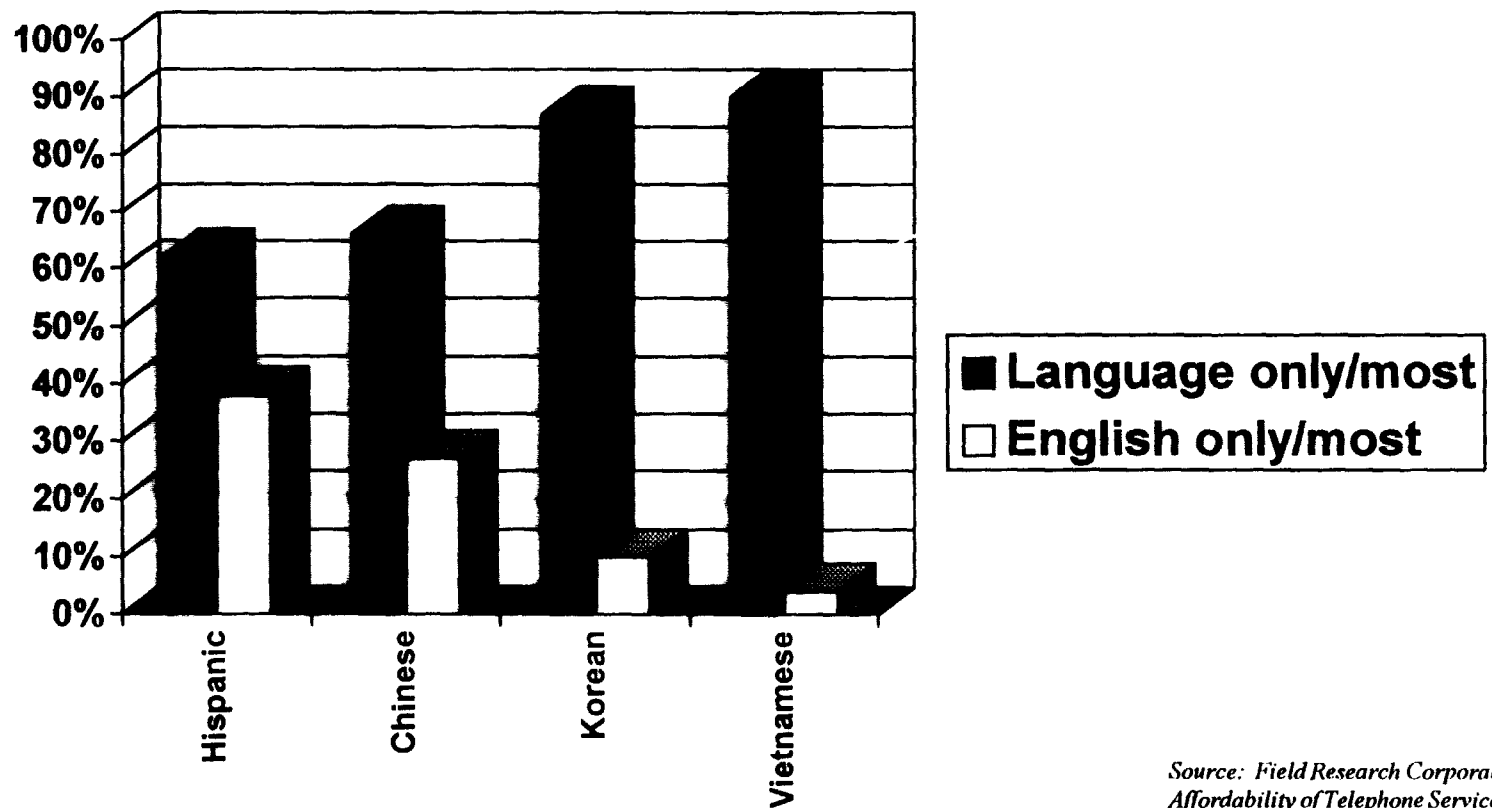
Households without Phones: Racial Disparity

At each income level, Latino and Black households are approximately twice as likely to have no telephone service.



The Need for Multi-lingual Services in California:

Percentage Who Speak Native Language Only or Most



Source: Field Research Corporation,
Affordability of Telephone Service,
volume 2, table 1.5.

**Survey
of
Low-Income, Minority and Limited-English-Speaking Communities'
Need for Equal Access to the Information Superhighway**

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Southern Christian Leadership Conference
Filipinos for Affirmative Action
*Filipino Civil Rights Advocates***

**COMMUNITY ORGANIZATIONS
RESPONDING TO SURVEY ON
ACCESS TO INFORMATION SUPERHIGHWAY**

Number of respondents	47
Percentage of respondents serving: Low-income communities	87.2%
Limited-English-speaking communities	78.7%
Latino communities	66.0%
Asian/Pacific Islander communities	42.6%
African American communities	29.8%
Average size of community served by respondents (number of people)	356,242
Examples of geographic locations covered	East Palo Alto, Fresno, Los Angeles, Madera, Martinez, Mountain View, Oakland, Oceanside, Salinas, San Bernardino, San Diego, San Francisco, San Jose, San Luis Obispo, Stockton
Types of community organizations represented	Educational programs Health clinics Literacy programs Social-service programs Rural legal assistance offices Employment programs Civil-rights programs

**SUMMARY OF COMMUNITIES' NEED
FOR ACCESS TO INFORMATION SUPERHIGHWAY
AND ADVANCED TELECOMMUNICATIONS**

Average estimated percentage of
respondents' constituents who need
access to information-superhighway
services

69.2%

**PARTICULAR NEEDS OF CALIFORNIA'S LOW-INCOME,
MINORITY, & LIMITED-ENGLISH-SPEAKING COMMUNITIES
FOR ACCESS TO INFORMATION SUPERHIGHWAY AND
ADVANCED TELECOMMUNICATIONS TECHNOLOGIES**

	PERCENTAGE OF RESPONDENTS
Educational programs and services	100.00%
Health care services and information	97.87%
Employment services and information	97.67%
Governmental services and reports	100.00%
Social services and information	97.78%
Community outreach and organization	95.65%
Collaboration with other organizations serving similar communities	100.00%
Electronic mail communications	95.65%
Video conferencing	81.40%

**COMMUNITY ORGANIZATIONS' NEED AND DEMAND FOR
ADVANCED TELECOMMUNICATIONS SERVICES**

	Respondents Familiar with Service	Organizations Having Service	Organizations Would Use Service If Affordable
INTERNET	82.22 %	37.21 %	93.94 %
DIGITAL SERVICES (ISDN)	26.67 %	5.00 %	82.76 %
BROADBAND CAPACITY	22.73 %	5.41 %	62.50 %
WIRELESS SERVICES	34.15 %	5.41 %	69.23 %
VIDEO CONFERENCING	62.22 %	5.00 %	83.33 %
FIBER OR FIBER- COAX	23.81 %	0.00 %	72.00 %

**IS THERE FULL & EQUAL ACCESS TO INFORMATION
SUPERHIGHWAY IN LOW-INCOME, MINORITY &
LIMITED-ENGLISH-SPEAKING COMMUNITIES?**

Percentage of respondents reporting Internet access publicly available in community served	32.6%
Percentage of respondents reporting community-based organizations in community served that have ISDN	2.1%
Percentage of respondents reporting that they have in-house: Internet	37.2%
Digital services (ISDN)	5.0%
Broadband capacity	5.4%
Wireless services	5.4%
Video conferencing	5.0%
Fiber or fiber-coax	0.0%

**HOW IMPORTANT IS COMMUNITIES' FULL & EQUAL
ACCESS TO INFORMATION SUPERHIGHWAY?**

Respondents concluding that their
communities' full and equal access to
information superhighway and advanced
telecommunications technologies is:

ESSENTIAL

63.0%

IMPORTANT

28.3%

HELPFUL BUT NOT IMPORTANT

4.3%

GENERALLY NOT RELEVANT

4.3%